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STATE PASS USTR FOR SAGE CHANDLER AND JENNIFER CHOE-GROVES COMMERCE FOR LAURIE ZIMMERMAN AND CHRIS ISRAEL

E.O. 12958: N/A

TAGS: <u>CA KIPR ECON ETRD</u>

SUBJECT: CANADA'S RESPONSE TO 2006 SPECIAL 301 DESIGNATION

REF: STATE 66988

- 11. Econ officers presented the Special 301 decision to officials at the Department of Foreign Affairs and International Trade (DFAIT) Intellectual Property division on April 28 with follow-up on May 1. Although DFAIT Intellectual Property Director Doug George reiterated Canada's annual objection to the Special 301 process in general, the overall reaction was calm. George expressed appreciation that the USG had taken the recent political upheavals in Canada (two elections in one year and the formation of a Conservative minority government for the first time in over a decade) into account in determining Canada's Special 301 status.
- 12. Perhaps because there was little pushback available to the GOC on the Special 301 designation, George brought up the issue of "patent trolls" (his term) in connection with the recent high-profile Research in Motion (RIM) Blackberry case and asked if the US government planned to "examine its policies" on patents. We pointed out that one high-profile case does not indicate a policy problem. In response, George brought up the eBay case before the U.S. Supreme Court and asked whether the USG intends to file an amicus brief in the case.
- 13. George also suggested organizing a binational IPR Working Group Meeting in Ottawa, possibly in October, to conduct the Special 301 Out-of-Cycle Review, which, of course, the Canadians would prefer to call something else. We urge the Washington interagency group to accept this invitation, which would give us the chance to use visiting experts to do outreach on IPR to MPs and other policymakers who do not usually come to Washington; with luck, new draft copyright legislation may be before Parliament by that time.

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WILKINS